



# Transforming Rural Livelihoods in India



A woman with dark hair and a bindi is sitting on the ground, surrounded by a large pile of white flowers. She is wearing a yellow and black striped sari over a purple top. She is looking directly at the camera with a serious expression. The background is a blurred outdoor setting with a building and trees.

# Transforming Rural Livelihoods in India

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# Foreword

India's strong economic growth has consistently sought to include the rural poor, who are concentrated in areas where rainfed agriculture is the main economic activity. However, poverty persists because of limited and inequitable access to productive resources, such as land, water, improved inputs and technologies and microfinance, as well as vulnerability to drought and other natural disasters. Low levels of literacy and skills conspire to keep people in the poverty trap, preventing them from claiming their basic rights or from embarking on new activities to earn income or build assets.

The Department for International Development of the United Kingdom (DFID) has made a substantial contribution to improving rural livelihoods in India. This has been mainly achieved by supporting programmes led by state governments in Andhra Pradesh, Orissa, Madhya Pradesh and West Bengal. These programmes have adopted different approaches – from 'watershed plus' in Andhra Pradesh and western Orissa to supporting Panchayat Raj institutions in Madhya Pradesh and West Bengal and Integrated Tribal Development Agencies in southern Orissa. However, the reduction of rural poverty through livelihoods promotion has been a unifying goal. These programmes focus on some of the poorest and most remote districts in these states and particularly target women and socially excluded tribal and caste groups.

The rural livelihoods approach places people at the centre of development, and programmes based on this approach help men and women build assets and develop their skills so that they can access new opportunities for income generation and employment. Most rural people depend on natural resources and agriculture for their livelihoods and DFID-supported programmes pay particular attention to the sustainable management of water, land and forests. Particular packages of support are directed to the landless and to marginal farmers so they also have opportunities to benefit.

Robust institutions and reliable services are essential to increase people's participation in development. Rural livelihoods programmes have supported the formation of self-help groups and producer groups and have significantly increased access to microfinance on fair terms,





to veterinary and crop advisory services, to inputs such as improved seeds and to markets. A capacity building programme at all levels – from State to village – is inherent to the success of the programmes.

Working through state governments has enabled lessons learned to be efficiently captured and rapidly scaled up. For example, the watershed plus approach developed and piloted in 5 districts by the Andhra Pradesh Rural Livelihoods Programme, has now been scaled up to all 22 districts of the State. DFID support has created the space to pilot innovative approaches that influence some of the evolving rural development programmes and the objectives of the Government of India's 11<sup>th</sup> Five Year Plan.

This booklet presents an overview of the impact of rural livelihood programmes supported by DFID in the context of the Millennium Development Goals, and explores some of the lessons learned under headings of income generation and rural growth, better management of natural resources, targeting the poorest and marginalised, and local institutions and self-governance. It goes on to consider some of the new challenges and opportunities facing rural India including converging different rural development schemes for greater development effectiveness, tackling persistent food insecurity and adaptation to climate change.

I hope that this booklet will not only make the reader aware of DFID's important contribution but will also add to the understanding of some of the challenges of poverty reduction in rural India. Some of the lessons have been captured in the Common Guidelines that will shape the Integrated Watershed Management Programme on which the Ministry of Rural Development is about to embark. This programme aims to extend the benefits of a rural livelihoods approach to all the watersheds in the rainfed areas of India.

Bhaskar Chatterjee, IAS

**Additional Secretary,  
Ministry of Rural Development,  
Government of India**



# Note from Head of DFID India

Despite impressive economic growth, poverty and hunger continue to blight the lives of many people in rural India. Rural development policies are sound, but there is a need for a step change in how they are implemented to achieve long-lasting poverty reduction.

India hosts DFID's largest single country programme. We work to tackle poverty at the national level and with state governments in our focal states of Andhra Pradesh, Orissa, Madhya Pradesh, West Bengal and Bihar. One of our priorities is working in rural areas to help poor people develop the skills and opportunities they need to rise out of poverty. This report shows where DFID's support to rural livelihood programmes have transformed lives, especially for those facing social exclusion or living in remote areas.

The next challenge is to scale up these programmes so that they have a wider impact. It is our close working with the central and state governments that makes this ambition possible. I hope this close fruitful partnership will continue as we pursue our shared goal of eliminating poverty in India.

Susanna Moorehead

**Minister (Development) and Head, DFID India**





# Acknowledgements

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# List of Acronyms



<b>APRLP</b>	Andhra Pradesh Rural Livelihoods Programme
<b>CLDP</b>	Comprehensive Land Development Programme
<b>CPSW</b>	A NGO implementing agency
<b>DSMS</b>	District Supply and Marketing Society
<b>EIRFP</b>	Eastern India Rainfed Farming Project
<b>FFW</b>	Food for Work
<b>GHG</b>	Greenhouse Gas
<b>GoAP</b>	Government of Andhra Pradesh
<b>IKP</b>	Indira Kranti Patham (Community based development programme in Andhra Pradesh)
<b>ILO</b>	International Labour Organisation
<b>ITDA</b>	Integrated Tribal Development Agency
<b>KAWAD</b>	Karnataka Watershed Development Project
<b>MDG</b>	Millennium Development Goal
<b>MPRLP</b>	Madhya Pradesh Rural Livelihoods Programme
<b>NAP</b>	National Afforestation Programme
<b>NGO</b>	Non-governmental Organisation
<b>NHM</b>	National Horticulture Mission
<b>NREGS</b>	National Rural Employment Guarantee Scheme
<b>OTELP</b>	Orissa Tribal Empowerment and Livelihoods Programme
<b>PIA</b>	Project Implementing Agency
<b>PRI</b>	Panchayati Raj Institution
<b>SHG</b>	Self-help Group
<b>SRD</b>	Strengthening Rural Decentralisation Programme (West Bengal)
<b>UNDP</b>	United Nations Development Programme
<b>WIRFP</b>	Western India Rainfed Farming Project
<b>WORLP</b>	Western Orissa Rural Livelihoods Programme



# DFID's Approach to Improving Rural Livelihoods



## **The Challenge: Poverty Persists in Rural India**

- 71% of India's population is rural, of which 29% (more than 200 million people) is below the national poverty line.
- Rural poverty declined at 0.73% per year over the period 1993-2005, down from 0.81% in 1983-94.
- 46% of rural children under five, 40% of adult women and 38% of adult men are underweight (compared to 33%, 25% and 26% for urban).
- 59% are small and marginal farmers and landless labourers who depend on agriculture. Two-thirds of agricultural labourers are women.
- DFID's focal states of Andhra Pradesh, Madhya Pradesh, Orissa, West Bengal and Bihar together account for 40% of India's rural poor.
- 16% of India's population is classified as scheduled caste, and 8% as scheduled tribe. These groups are dominantly poor and rural and face particular socio-cultural barriers to development.

Source: Compiled from various sources including National Census (2001), National Sample Survey, 61<sup>st</sup> round (2004/05); National Family Health Survey 3 (2005/06); Mahendra Dev and Ravi 'Poverty and Inequality: All India and States, 1983-2005'. Economic and Political Weekly. (2007). pp 509-521.

DFID's rural livelihoods programmes in India work with the governments of Andhra Pradesh, Orissa, Madhya Pradesh and West Bengal. These programmes focus on some of the poorest and most remote districts in these states and particularly target women and socially excluded tribal and caste groups (adivasis and dalits).

The rural livelihoods approach places people at the centre of development, and focuses on building assets and skills so that women and men can access new opportunities for income generation and employment. Supportive policies, robust institutions, and regulatory and incentive structures that both encourage growth and

protect the most vulnerable, are essential to improving livelihoods. At the same time, reliable services - such as micro-finance, veterinary and crop advice - and access to agricultural inputs and markets, are necessary to ensure that improvements are sustained.

People's participation, capacity building, technical innovation and service delivery are central to all our rural livelihoods programmes. However as we have gained experience, several programme models have evolved, responding in part to the priorities of our state government partners.

In the late 1990s our main emphasis was on the rainfed farming projects in eastern India and western India, managed by the NGO, Gram Vikas Trust, and on forestry projects. These projects resulted in improved livelihoods, capacity and services in participating villages. Some of the lessons learned were influential in subsequent programmes but the lack of formal institutionalisation in government systems hampered widespread uptake.



## What DFID is doing to support Rural Livelihoods in India

**DFID's current rural livelihoods portfolio comprises five major programmes, with a total budget of around £152.5m (December 2007). Active Programmes are highlighted.**

### Rainfed Farming Projects

- The Eastern India and Western India Rainfed Farming Projects (EIRFP – £6.7m; WIRFP – £15.5m), completed in 2005 and 2007 respectively pioneered the use of jankars (para-professionals) to promote innovation at the village level, participatory varietal selection and plant breeding for sustainable improvements of crop yield, and improving opportunities for those who choose to migrate.

### Watershed-based Development Programmes

- Karnataka Watershed Development Project (KAWAD), (£4m; 1998-2005)
- Andhra Pradesh Rural Livelihoods Programme (APRLP), (£45.5m; 1999 – 2007)
- Western Orissa Rural Livelihoods Programme (WORLP), (£33m; 2000-2010)

APRLP and WORLP support state watershed development programmes by providing additional funds, capacity building and technical support for community self-help groups, productivity enhancement and micro-enterprise development.

### Rural Livelihoods Programmes based on PRIs or Administrative Units

- Madhya Pradesh Rural Livelihoods Programme (MPRLP), (Phase 1 – £16.6m, 2004-2007; Phase 2 – £45m 2007-2012) also works mainly with poor tribal communities, but places emphasis on empowerment of village assemblies or gram sabhas to prepare action plans and manage resources to build and protect livelihoods. MPRLP provides the funds for the gram sabha and beneficiaries to implement approved action plans.
- West Bengal Strengthening Rural Decentralisation Programme (SRD), (Phase I – £9m 2005-2007; proposed Phase II 2008-2011) builds the capacity of gram panchayats (elected village level committees) in support of the State policy on decentralised governance. The Programme provides an untied poverty fund to support livelihoods activities and delivery of services as defined in action plans prepared by gram panchayats.
- Orissa Tribal Empowerment and Livelihoods Programme (OTELP), (£9.8m; 2005-2010), which is co-funded by IFAD (International Fund for Agricultural Development) builds capacity of poor tribal communities to manage their own development. Particular attention is given to access to land and to the management of common property resources such as pasture and forests.





Villagers are trained to maintain their own records



Programmes focus on the socially excluded tribal groups



Progress is driven by women's self-help groups

The next generation of DFID support focused on the watershed based development programmes of the Government of India, initially in three states. DFID support transformed these from natural resource programmes focus, emphasising physical conservation works and primarily benefiting larger, mostly male, landowners, to people centred programmes, inclusive of all the residents of the watersheds and paying particular attention to landless, women and other vulnerable groups. This has become known as a 'watershed plus' approach. Specific elements of the 'plus' are components for productivity enhancement and micro-enterprise promotion with earmarked funding, as part of a broader approach that includes enhanced participation, capacity building and innovation.

Emphasis on decentralisation of government through elected panchayati raj institutions prompted different variants of the rural livelihoods model in Madhya Pradesh and West Bengal, where programmes have adopted administrative units, rather than physical units, as the basis for planning. The Madhya Pradesh programme, which is focused on tribal districts, adopts the gram sabha, or village assembly, as the primary planning unit and directs development funds through the gram khosh, or village account. In West Bengal, the focus on decentralised governance and capacity building is stronger and planning is focused on gram panchayat and subordinate village assemblies that are able to access an untied poverty fund to support livelihood enhancement activities. The Orissa Tribal Empowerment and Livelihoods Programme (OTELP) works through Integrated Tribal Development Agencies in tribal villages in the poorest districts of Orissa.

Lessons learned from our rural livelihoods programmes have been scaled up within states and have informed broader state policy on rural development. They have also been shared between states, including with programmes sponsored by other donors such as the World Bank and UNDP. The watershed-plus experience in Andhra Pradesh and Orissa has been instrumental in shaping national policy and guidelines on watershed-based development, making them more participatory and pro-poor.



# Impact



In 2007 rural livelihoods programmes targeted approximately 15 million and have achieved the following direct impacts on Millennium Development Goal (MDG) targets:

## Impact on Poverty and Hunger (MDG 1)

Income has increased and income sources are diversifying, particularly for socially-excluded groups. The Andhra Pradesh Rural Livelihoods Programme has moved an estimated 1 million people above the poverty line and incomes of the poorest and of women headed households have risen by 85% and 92% respectively over the project period (as against 56% and 37% for non-beneficiaries). Across the Andhra Pradesh and Orissa programmes, food availability has improved during the traditionally "hungry months". Households report fewer days without sufficient food, increased production of staple food crops, or increased access to food through food-for-work schemes.



Access to safe drinking water has increased



More children are being sent to school

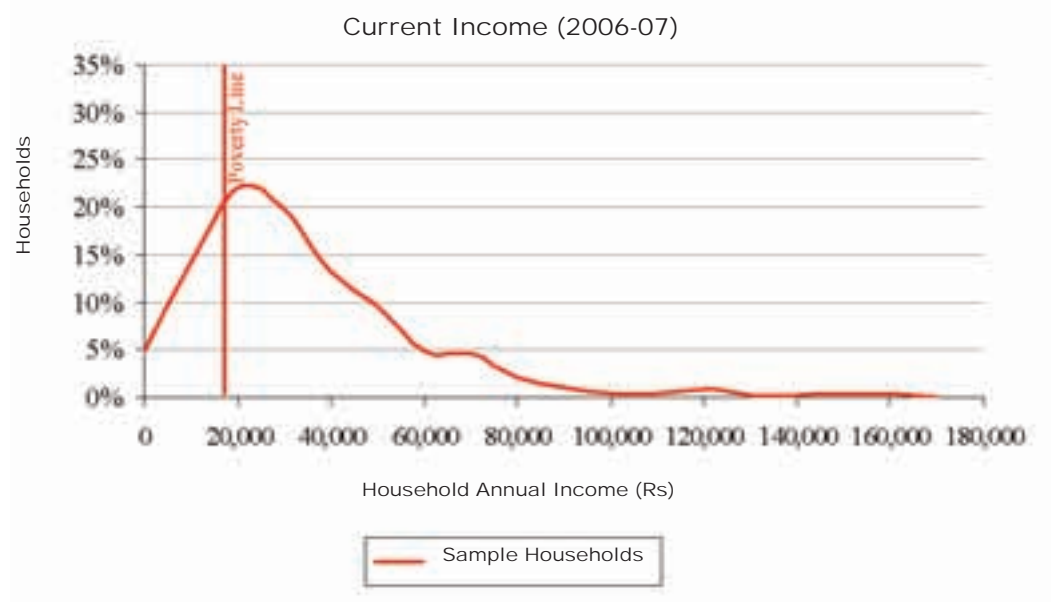
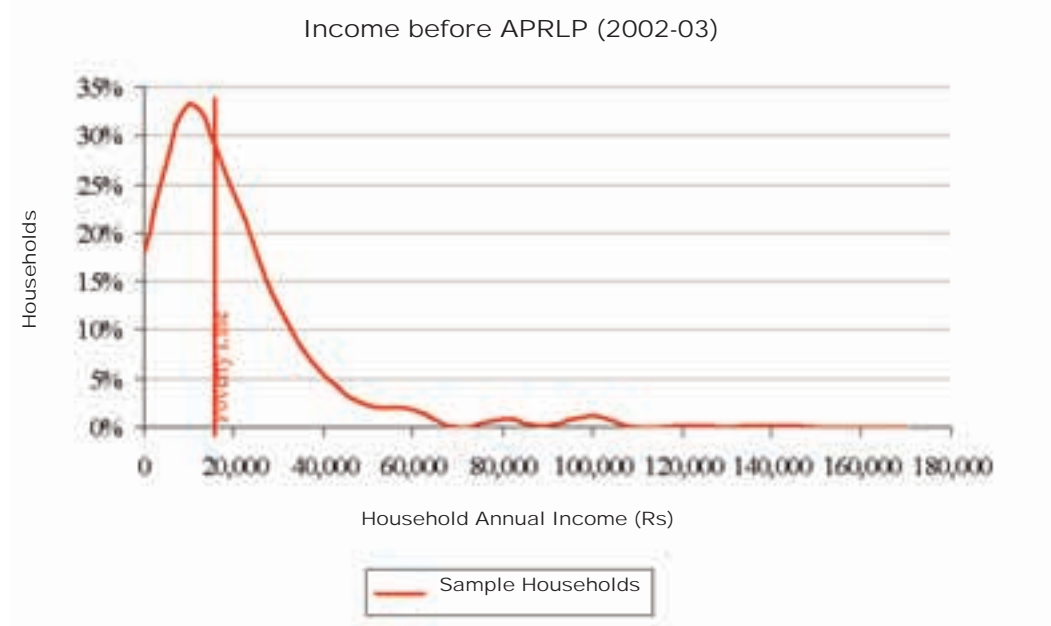
## Impact on Gender Equality and Women's Empowerment (MDG 3)

Programmes have enhanced the role of women in household decision making and in gaining improved access to services. For example, in Western Orissa, 65% of women from poorest households reported increased access to their entitlements from Government schemes as a result of campaigns by women's self-help groups.

## Other Impacts

Poor people have improved access to forest products and improvements in grazing areas. Access to safe drinking water has increased, the number of children being enrolled in schools has increased in villages where livelihoods interventions are undertaken – and people are choosing to spend their money on education for their children.

## Distribution of household income of sample households in APRLP



Source: TARU Primary Study, 2007

Base: 384 households



Income sources are diversifying



New markets for traditional artisans

# Learning Lessons and Scaling Up

All DFID rural livelihoods interventions have a strong focus on scaling up through engagement in policy and influencing. This works best where the programme is not seen as a stand-alone project, but is placed within existing programmes or structures.

In Andhra Pradesh for example, the management unit of APRLP sits within the Commissionerate of Rural Development of GoAP, and at district level, implementation is through the existing government District Water Management Agency. This close integration within existing programmes led to the decision by GoAP to scale up APRLP approaches from the original 5 districts to the remaining 17 districts in Andhra Pradesh, extending the outreach to over 10 million people. Assuming a similar impact in the outreach districts the Project could potentially lift more than 2.5 million people above the poverty line. APRLP has been transformational in the manner in which it has influenced the way in which the State Government runs rural development programmes.

Although rural livelihoods programmes in Orissa and Madhya Pradesh have shorter histories, similar experience of scaling up is emerging. In Orissa, WORLP works with the Watershed Development Mission that oversees all watershed programmes in the State. WORLP approaches are being scaled up to six additional districts through the State Government's Jeevika programme, and may be extended to further districts in the future. In Madhya Pradesh, the State Government is looking to MPRLP to lead the process of developing operational guidelines for an Integrated Livelihoods Programme throughout the state.

Some areas in which our programmes have made a transformational impact are described in the following pages under the headings of:

- Promoting income generation and rural growth;
- Better management of Natural Resources;
- Targeting the poorest and socially marginalised;
- Strengthening local institutions and self governance.



Kalajatha programmes are used to spread messages

A range of different mechanisms have been adopted to share lessons. These include the stakeholder Livelihoods Forum in Madhya Pradesh, independent impact assessments, research and documentation and annual experience sharing events across programmes. There is a strong emphasis on piloting, demonstrating and learning from new approaches, sharing these with government departments and working to ensure that they are mainstreamed within long-term schemes and programmes of the relevant line departments.



## Promoting Income Generation and Rural Growth

DFID programmes deliberately target the poorest districts and usually the poorest villages with a high concentration of scheduled tribes or scheduled castes and poor social indicators such as literacy rate. Typically, agriculture or harvesting of natural products, are the main sources of livelihood and many of the poorest are landless, depending on casual labour and are forced to migrate if work is not available. Nonetheless, opportunities exist for the rural poor to build their assets and to improve their sustainable income. Our programmes help the poor to take advantage of such opportunities by supporting village level organisations such as self-help groups (SHGs), building the necessary skills and facilitating access to supplies, technical advice and markets. Diversification of livelihoods helps communities to counter risks as well as to raise incomes. We look for opportunities both within and outside agriculture to provide people with a range of options that respond to their needs and capacities.

### *Agriculture*

For example, the **Western India Rainfed Farming Project** has helped poor farmers to collaborate with research scientists to develop crop varieties and agricultural technologies that are suited to their local conditions and meet their needs. In contrast to official varieties of rice and maize, that seek to maximise grain yield under optimal conditions, a number of varieties have been developed with traits such as drought tolerance, short field duration, use for livestock fodder, grain colour and taste that are preferred by farmers.

These varieties developed through client oriented breeding, such as Ashoka 200F, Ashoka 228 and Kalinga III upland rice, outperform conventional varieties by 20-30% under local conditions. Over 99% of farmers who have tried them continue to grow them on increasing proportions of their land.

### *Micro-enterprise*

One of the successes under the watershed programmes has been the inclusion of revolving funds to support the poorest to set up micro-

enterprises in the villages. Business knowledge and skills training are given, using resource people and institutions. Activities promoted include agriculture and livestock related enterprises as well as services and trades. A huge diversity of enterprises have been supported – including seed production, making vermicompost, floriculture and horticulture, making of incense sticks, dairy activities, tamarind business, leaf plate making, repair of bicycles and electrical items, phone booths, flour mills, road side restaurants. In APRLP and WORLP these loans have been particularly targeted to the landless.

### *Jobs and Skills Development*

Both APRLP and MPRLP are working in partnership with others to promote jobs and vocational training schemes. In Andhra Pradesh, 8,200 rural youths are being provided with skills and job placements through skills development, whilst another 1,512 are being trained in electronic skills areas to meet the growing demand from companies in the State.



New technologies are promoted



Self-help groups are supported

### Empowering the Community through Awareness of Weights and Measures (OTELP)

Although people's livelihoods in southern Orissa usually depend on marketing of produce, most villagers are ignorant of weights and measures and are therefore targets for exploitation by unscrupulous traders. To ensure proper weight of the food grains received with the support from WFP and distributed to the labourers, weighing scales have been provided to each Village Development Committee. Responding to demand from the villagers in Belghar Gram Panchayat under ITDA, Balliguda, a larger weighing scale was installed at a central place in the village. Introduction of scales has empowered villagers so that they obtain a fair price when selling their produce to the middlemen, resulting in average increases in income of around 30%. The traders and middlemen, who were used to exploiting the poor tribals, attempted to damage the weighing scale but the situation was then brought under control by the district authority.



Diversification of livelihoods through pisciculture

### Orissa Women engage in Fish Farming for the first time

In 2002 the Western Orissa Rural Livelihoods Project urged the women in Mukundpur to set up self-help groups. For Beltikhai Nayak and Bilaso Swain, the large pond that dominates the landscape of Mukundpur village in Deogaon block has been their source of water for bathing, washing and watering their cattle, but only now has it also become a source of livelihood. For years they have worked as daily wage agricultural labour, earning Rs.20 per day or 6 measures of paddy. They augmented this income with making and selling *muri* (puffed rice) from the paddy.

The Project advised them to get together and start collective pisciculture in the pond. This was a fairly revolutionary idea, so the SHG members took a little time to mull over it, discussed the pros and cons and finally decided to do it. In 2004, the entire group went to the Panchayat office. They leased the pond for a year for Rs.1,400. They then spent Rs.5,200 on fingerlings which the Project helped them to buy from Chiplimani. They released 28 packets, each containing 750 fingerlings of *rui*, *bhakur* and grass carp. The women are happy at being able to engage in this activity and are hopeful of good results. Pisciculture as a collective enterprise has built the confidence of the women and is a potentially sustainable livelihood option for many of the resource-poor in western Orissa.

### *Supporting Those who Choose to Migrate*

WIRFP included an innovative and demand driven migration project, which is now informing other programmes. The Migrant Labour Support Project established **migrant facilitation centres** which provided communication, insurance, ID cards, information on employment opportunities, assistance in wage negotiations, and training on migrant rights and some of this experience is currently being scaled up under MPRLP. A Migration Hub, funded by DFID and the ILO, has also been established at the national level, providing a platform for policy dialogue on migration issues at central and state levels.



## Better Management of Natural Resources

Natural resources, such as water, land and forests are fundamental to the livelihoods of the rural poor. Our projects target rainfed areas where water is limited, soils are fragile and prone to erosion and forests play a key role in supplying the products necessary to support the livelihoods of the poorest. Under such conditions sustainable management of natural resources to ensure lasting benefits is paramount. The watershed management programmes of Government of India, which DFID supports in Andhra Pradesh and Orissa, are grounded in the conservation and sustainable use of water and soils in hydrological units.

### *Water*

Rural livelihoods programmes are contributing to improved management of water resources, through watershed management interventions, including demand-driven improvements to drinking water. This is leading to important changes in the lives of the rural poor, particularly women. In APRLP watersheds there has been a major increase in the availability of water, through the revival of previously dry borewells and dug wells. The number of surface water sources has tripled. Nearly half of all APRLP watersheds have seen an increase in groundwater levels. More land has been brought under irrigation, primarily due to good rainfall, watershed interventions, and availability of credit under APRLP.

Whilst watershed management activities have brought many benefits, there is a danger that they may also contribute to unintended consequences, including reduced inflows to traditional tank systems, catchment closure and groundwater overdraft. Given that there is limited scope for increasing water resources, the emphasis needs to shift towards improved management of existing water resources and, in particular, ensuring that allocation of water to meet primary needs has priority. This requires an efficient and equitable water governance system for using and allocating available water resources. APRLP has contributed in this area, developing tools such as water audits, which can assist decision makers to make informed decisions about water, taking into account issues of equity, sustainability and efficiency.



Micro-irrigation using a step-pump



Watershed management through conservation structures



Watershed associations play an important role



### Summer Crop made possible with Ring Wells in Orissa

"We were not growing any crops in the summer season, save for some *desi chana* that fetched about Rs.10 per kg. That too was possible only when the crop did not fail, which happened often. We were indebted to moneylenders.

Then WORLP helped us to construct ring wells. We have now started growing crops in summer using the water from these ring wells. We produce 60 quintals of onion alone in one acre which gets us Rs.13-14 per kg," says Prabhakar Nayak a farmer from the Bhatra tribe from Kamlajor watershed of Koksara block in Kalahandi district. Kesab Sahoo of Rupra village in Narla block received Rs.9,400 from the Watershed Development Committee to construct a 25 feet deep ring well. He is now able to grow two crops of vegetables and onion. In 2006 he had a profit of Rs.30,000 from these crops while earlier he was barely able to make ends meet. Rajib Mohanty, member of the project's capacity building team, says, "Having ring wells in rainfed areas helps the struggling marginal farmers to cope with adverse conditions."

The introduction of low cost onion storage godowns has added to the profit. The women from Patarbasa hamlet call it a boon as they can now store and sell onions at higher rates.



Onions and a low cost onion storage shed

### Land

Land is of equal importance to water in supporting livelihoods. In some of the remote hilly areas targeted by the rural livelihoods programmes land resources are fragile and subject to erosion and damage if they are misused. Low levels of nutrients, which are further depleted by cropping, low levels of soil organic matter and limited water holding capacity constrain land productivity. Shortage of common grazing land is often a limitation to livestock raising, and the grazing land that does exist is often degraded. Soil conservation is an integral part of the works component of watershed development, and WORLP and APRLP pay attention to the management of common grazing land in watershed development plans.

### From Slash and Burn to Productive Horticulture

Borigi, one of the remotest villages in Narayanpatna Block of Koraput district in southern Orissa is surrounded by hills and forests. The major source of livelihood is agriculture on encroached forest areas subjected to *Podu* (slash and burn). The continuous exploitation of these lands has already destroyed the topsoil and the farmers invest their labour for outputs so low that they are barely sufficient to support the family for the whole year. Through OTELP the villagers were encouraged to take up vegetable cultivation in their private lands and were provided with support for marketing in nearby towns. This handholding support from the staff of the Integrated Tribal Development Agency and facilitating NGO enabled the poor tribal farmers to earn substantial income within a short period, which was more than what they used to get out of *Podu* cultivated areas. They were further helped to grow mango and cashew in a patch of the degraded *Podu* lands. The villagers are now convinced that they can earn their livelihoods from alternate sources like vegetable cultivation with much less labour. They have decided not to continue with the *Podu* cultivation in the forest areas and to cover all the *Podu* affected areas with plantation of horticultural species such as mango and cashew.

## Targeting the Poorest and Marginalised

Within DFID's focal states, which include some of the poorest in India, we select the poorest districts, or those which have the highest proportion of scheduled caste or tribes. In Madhya Pradesh, for example, villages were selected on the basis of three rigorous criteria – less than 1,000 population, proportion of Scheduled Tribes or adivasis over 50% and female literacy rates of less than 30%.

Community based targeting methods are used within villages, enabling all community members to carry out their own identification of different wealth groups. This enables communities as well as project teams to disaggregate and monitor information on who benefits, and to identify mechanisms to ensure that resources really reach the poorest.

All projects have been active in supporting the participation of women in community level planning and decision making. As a result, there is a clear increase in the status and confidence of poor women. In Andhra Pradesh in particular, but increasingly in other areas, they are organised, have access to financial resources, and are becoming more empowered to negotiate matters on their own.

Active participation in group activities outside the home and particularly the experience of playing a leadership role in the community has made a significant change in the lives of women.

However, in the drive to increase women's participation, there is a risk of women being overburdened with additional responsibilities. APRLP has led the way promoting a wider approach to gender - trying to ensure that the concerns of both men and women are taken into account.

A gender and equity policy was drawn up, and the Project has worked with both men and women on gender awareness. A study in 2006 in APRLP areas indicated that gender relations were changing, and that that women are getting more support from men in household responsibilities. These changes are associated with the social mobilisation activities of the Project.



There is a gradual change in gender relations



Participation could overburden women



### Remote Tribals of Madhya Pradesh, find a Secure Livelihood

MPRLP provides training to support a range of activities – from traditional farm based enterprises to vocational training and certification enabling them to participate in new areas of growth, such as construction or diamond cutting. By building their understanding of their rights, the project also empowers rural people to demand better services from local government.

Ram Bai, a tribal woman from Anuppur district, describes how membership of the rural womens group has made a difference to her life: “We all used to work as farm labourers, cultivating paddy in the fields of big farmers. Sometimes we used to work for daily wages in the local market. Now there is a constant demand for our leaf plates, and we do not have to wait for small jobs and the uncertainty of daily wage work.”

Raju from Badwani district has also gained from the project. He says, “I do not have any landholding. I am responsible for looking after my grandmother and sister. My mother also works on a daily wage basis... Supporting my family was tough. Suddenly I got this opportunity and joined the diamond cutting training...”



### Beyond Disabilities

20 year-old Pradeep Bhoi was an athletic young man till he fell from a tree in 2002. The fall left him paralysed from the waist down. Doctors from Cuttack and Burla said there was no hope of his recovery. Pradeep lives with his father, mother and younger sister. His younger sister has stopped going to school so that she can take care of her brother. Although Pradeep knows about disability pension, he refuses to apply for it as the hope of recovery still burns bright.

Pradeep needs regular medicines but his father's income isn't enough to feed the family and also buy medicines for him. His father had already sold 30 decimals of land to pay for his older sister's marriage this year.

Therefore, Pradeep took up screen-printing to earn some money. “I print cards, pamphlets and posters,” says Pradeep, proudly showing some samples. His uncle in Chattisgarh lent him some instruments and screens. But Pradeep worries about the day when he has to return these to his uncle. He says, “I need my own equipment. I also need someone to assist me. My back hurts when I bend over to work on my bed. A table would give me lot of relief. An exposure box will let me work at any time without waiting for sunlight to expose the prints. This will also help me to take larger orders.” Being the only screen printer in the village, a lot of orders come his way during the wedding season, but he cannot meet all of them because he does not have the proper infrastructure.

Pradeep has been identified as ‘vulnerable’ by WORLP. He has been helped to develop the required infrastructure for his enterprise. The investment is expected to be between Rs.10,000 to 12,000. “My dream is to improve and expand my business so that I can be independent. Do dreams come true?” asks this young boy. The courage with which he fights adversity has won him the respect of the community, and made him a role model in the village.

Pradeep Bhoi at work with his printing enterprise



## Strengthening Local Institutions and Self-Governance

Building local level institutions to manage resources, whether financial or natural, is at the core of the sustainable livelihoods programmes. Wider community participation is a precondition to ensuring that implementation of programmes is inclusive, and people centred. Each community undertakes a participatory needs assessment, wealth ranking of households, and community action plans or micro plans. Funds are released to village level, and are managed and accounted for by village level organisations.

Each state has a different institutional framework, and different institutions have been the focus of different programmes. Andhra Pradesh has a very strong foundation of self-help groups, which are federated into Village Organisations. APRLP has been implemented successfully by these Village Organisations. As a result, these are increasingly the focal institutions for all rural development programmes. Other programmes work more closely with the lower rungs of the Panchayati Raj system. Capacity building is given high emphasis, whether on financial management, organisational issues, preparation of village development plans or social audit systems to ensure transparency.

West Bengal is one of the most advanced states in terms of devolution of functions to Panchayat Raj Institutions (PRIs). DFID supports the Strengthening Rural Decentralisation Programme (SRD), which builds the capacity of PRIs down to the village cluster (gram panchayat) and village (gram unnayan samities) level to plan and implement development plans in a participatory way with villagers. SRD provides an untied poverty fund to support implementation of plans. To date SRD has been instrumental in helping to build skills, improve provision of social services, including health services, improving infrastructure and strengthening resilience to natural disasters such as floods. A recent evaluation indicates significant improvements in PRI capacity to plan and manage resources, and modest increases in income of beneficiaries after only one and a half years of operation.

In Madhya Pradesh, MPRLP has been working through the gram sabhas or village assemblies. Previously these were not functioning. Now

these assemblies are meeting regularly, becoming more inclusive of women and marginalised groups, and are making decisions and using funds for the purpose intended. There has been good progress in fund disbursements and in strengthening transparency and accountability at village level. The process of establishing micro-plans, requesting and utilising funds has been well coordinated by these assemblies.



Self-monitoring by self-help groups



Empowered women hold their own



Using maps to help design and implementation



In Andhra Pradesh, APRLP has been able to build on a solid foundation of SHGs, established primarily by others including the World Bank's Indira Kranti Patham (IKP). APRLP has invested in considerable social mobilisation, to ensure that the SHGs, Village Organisations and others are able to implement pro-poor, gender equitable approaches to natural resource management.

Capacity building has been a core component of all programmes and APRLP has pioneered a systematic and professional approach. District Capacity Building Centres were established from the outset to provide demand driven capacity building for all stakeholders. Livelihoods Resource Centres have been set up at district and cluster level, and have now been extended to all districts in the State. These centres provide services based on demand, and bring training as close to beneficiaries as possible. Many centres are supported by NGOs who provide technical and managerial support, increased scope and shared responsibility. The Government of AP is committed to fund and support these centres to build rural development skills in the longer term and will continue the partnership with NGOs to harness the best available expertise.

#### **Strong Local Ownership enables OTELP to work in a Zone of Conflict**

Saralapadar is a village in the Nuagada Block of Gajapati District. The village is about 9 kms away from the nearest town R. Udayagiri and is well within the areas identified to be under influence of Maoists activities. Many Government development programmes in the area are implemented through contractors with limited consultation with villagers. These projects are frequently targeted by Maoists who see them as bringing few benefits to the people, and who demand a share of the budget outlay.

OTELP exposed villagers to people-centred planning and implementation, building their confidence and trust in the Government system for the first time. The plan of implementation and funds for different programme activities are being managed by the villagers themselves through the Village Development Committee and their working sub committees.

Clear ownership and support of the project by the people changed the attitude of the Maoists. An attack on the town of R. Udaygiri on 24<sup>th</sup> March 2006 resulted in the police station and the jail being captured for three hours, and in the seizure of two Government officers who were held for 11 days. Bridge construction work was going on in the village and the Maoists took money from the contractor for their boarding for a day and also used the trucks of the contractor for the attack.

Coincidentally a team of government and NGO officers from OTELP was in the village for about three hours around the same time that this disturbance was taking place. Although the Maoists knew about the meeting of OTELP officers, they did not stop the villagers from attending the meeting. The villagers were interrogated by the Maoists about OTELP, and explained that the project was owned and managed by them, with the funds received directly in their accounts for carrying out development activities. The Maoists accepted this explanation and witnessed the level of participation of the villagers in OTELP. They did not interfere in the programme or demand any share from the village account intended for OTELP.



# Responding to New Challenges and Opportunities



Adopting a process approach to design and implementation in all DFID rural livelihoods programmes has been important. This has enabled project management to be flexible and responsive to changing demands. This process continues, and as new opportunities and challenges are thrown up, there is capacity to respond accordingly. Currently some of these emerging areas of engagement include:

## Improving Development Effectiveness by Convergence of Programmes

Rural development accounts for the largest sectoral outlay in the Government of India budget (31.7% of plan outlay, or £3.7 billion, in the 10<sup>th</sup> Five Year Plan). A further £0.45 billion (3.8% of plan outlay) is devoted to agricultural and animal husbandry schemes. This development expenditure is channelled through a large number of centrally sponsored schemes. For example, there are currently eleven centrally sponsored schemes dealing with watershed-based development alone, led by three ministries and the Planning Commission. Additional programmes are sponsored by State Governments. However in spite of substantial expenditure and a plethora of programmes progress in reducing rural poverty has been modest.

There is a strong rationale for “converging” of some rural development programmes to make them more efficient and cost effective. DFID’s rural livelihoods programmes are integrated into government systems, and are well placed to play a catalytic role in converging rural livelihoods with other initiatives that are targeted in the same areas. Collaboration with other programmes, schemes and services has been an explicit objective of all programmes, and is growing in importance. Successful models of implementation have already been adopted by others – for example, other rural development programmes are using the APRLP model and are working through Village Organisations.

But in the last year, there has been a step change in the way in which Rural Development Departments are looking at convergence. In Andhra Pradesh, a pilot in Chittoor District is underway to integrate all budgets, staff and rural development programmes. In Madhya Pradesh the State Government has also recently announced an ambitious programme to integrate all rural development programmes across the State through an inter-ministerial forum at the State level and new





district level committees. DFID's rural livelihoods programmes are well placed to assist these innovative approaches to improving the delivery of rural development programmes through integrated structures, budgets and approaches.

The National Rural Employment Guarantee Scheme (NREGS) is a particularly obvious target for convergence with rural livelihood programmes. NREGS a safety net programme providing a guarantee of employment for each household up to 100 days/year, and much of this work is based on implementing soil and water conservation activities. DFID livelihoods programmes work closely with the NREGS to improve the quality of implementation, and monitor its effectiveness. MPRLP is responsible for implementation of NREGS in the eight districts where the programme operates, while in Andhra Pradesh the Commissionerate for Rural Development is responsible for both APRLP and NREGS implementation.

The Orissa Tribal Empowerment and Livelihoods Programme provides examples of convergence in employment, agriculture, forestry and health:

- The village development and livelihoods plan includes a range of activities, some of which can be funded under OTELP but others that may draw on other rural development schemes. Village Development Committees will put forth their demand for daily wage employment under NREGS to the respective Gram Panchayat on the basis of their VDLP and accordingly the GP will have to prepare the consolidated NREGS plan.
- Farmers with more than one acre of land are eligible for the National Horticultural Mission. Additionally, nurseries raised by SHGs can be officially declared and sell seedlings to beneficiaries of the NHM.
- OTELP is collaborating with the Forest Development Agencies that are implementing the National Afforestation Programme to ensure that developments under the NAP both improve the health of forests and positively impact on the livelihoods of communities.
- OTELP Village Development Committees, which include a volunteer health worker, work with the Accredited Social Health Activist under the National Rural Health Mission to implement the village health plan.

#### **Access to Land, Jobs and Improved Soil and Water through Convergence in Andhra Pradesh**

Field staff in Gundala mandal in Nalgonda, have been working together across rural development programmes to promote convergence and improve the effectiveness of the programmes that they deliver to poor people. Both field level staff and local political leaders have been actively engaged in ensuring that the Comprehensive Land Development Programme, the Rural Employment Guarantee Scheme and the watershed and livelihoods programmes were working in harmony.

Land was assigned to poor, landless households, under the CLDP. But the land required clearing and preparation before it was cultivable. This was done by the farmer with his family. Silt was then brought from a nearby NREGS site, where a tank was being desilted. The silt was spread on the field to improve soil fertility. The NREGS works programme not only provided poor households with labour, but also successfully deepened the tank so that it would hold more water following the rains.

While structures under the watershed programme, such as percolation tanks, recharged wells in the area, formerly landless people, and others in the village, were being provided with technical inputs and advice by local field staff as well as NGO members. In addition, the villagers were supplementing their agricultural income through a variety of enterprise initiatives promoted through the self-help groups and Village Organisations under the APRLP.



**Tank silt improves soil fertility**

## Food Security and Social Protection

Progress on reducing hunger has lagged behind reduction of income poverty. Child malnourishment is the most commonly used indicator to measure food security. For India as a whole, the proportion of underweight children fell from 52% to 47% between 1992/93 and 1998/99 and thereafter it has remained stagnant around that level. In 2005-6, 46% of children were estimated to be underweight in India, and statistics suggest that there are currently more hungry people in India than in the whole of Africa. On the basis of the progress made during the last thirteen years, India is highly unlikely to come close to the MDG target by 2015.

Rural livelihoods programmes have improved people's access to nutritious food, either through improvements in crop or livestock production, by helping people get jobs or set up micro-enterprises, or in cases of extreme poverty or response to disasters by supporting food for work initiatives. Such measures have resulted in some modest improvements to food security, assessed in terms of a decrease in the period when food shortages are experienced. Rural livelihoods approaches have a role to play in revitalising progress towards food security. We need to do more work on establishing baselines and measuring progress, and in promoting better links with nutritional initiatives.

Increasingly, DFID programmes are looking at ways of protecting, as well as promoting, the livelihoods of vulnerable people. This includes a strong emphasis on social protection schemes which can reduce risk and vulnerability. Areas being considered include areas of weather or crop insurance, or a price stabilisation fund to benefit gatherers of forest products. Improved personal insurance against sickness, accident or death, are other examples that would ensure that resources do not flow out of productive activity in response to shocks or stresses. MPRLP aims to improve people's understanding of their entitlements and ability to demand their rights – to government schemes such as the Rural Employment Guarantee Scheme or the Targeted Public District Scheme. MPRLP has developed some innovative legal literacy tools to help build awareness of rights and entitlements. In WORLP 65% of the poorest households report increased access to their entitlements from Government schemes due to rights based entitlement campaigns of women self-help groups.



**Food security through:**  
Backyard poultry  
Improved livestock  
Better storage





Tunu Sabar cultivates vegetables on his land

### Intensifying Land Use for Food Security and Income

Tunu Sabar is a small farmer. He lives in Semelpali village, in the Larki Watershed of western Orissa. He owns 2.5 acres of land, of which 1 acre is upland, 1 is midland and half is lowland. During the drought in 1993, the Block office helped him to dig a well on his land. He used to cultivate kharif paddy, which yielded about 10-12 quintals. This was not sufficient to cater for his large family of ten, even for four months. Tunu had no option but to migrate to Andhra Pradesh with his family to work in the brick kilns.

WORLP introduced the concept of developing vegetable gardens, based on the traditional Lari model. Tunu was encouraged by Mr Biranchi Mahapatra, of CPSW (the PIA) to switch over to cultivating various cash crops on his land throughout the year, on a rotational basis.

Tunu started with the cultivation of cabbage and cauliflower in the upland, brinjal and chilli in the midland and onion in the lowland. The project helped with inputs like seeds and fertiliser, while regular technical inputs and hand-holding support were provided by the staff of CPSW and the District watershed office. In the first year he had a net income of Rs.15,100 from all these crops.

The District Supply and Marketing Society (DSMS), Nuapada, WORLP helped farmers to build low-cost onion storage in order to check the distress sale of onion. Tunu was helped to build low-cost onion storage worth Rs.10,000. He increased the area under onion cultivation and stored 20 qtl of onion in the newly built storage when the market price was Rs.350 per qtl. After three months, when the price had gone up to Rs.850 per qtl he sold his stock, which had come down to 17 qtl because of a 15% weight loss during storage. His profit was Rs.8,500.

The other crops fetched Tunu an additional net profit of Rs.7,200. He had also planted 80 mango and 25 papaya seedlings. The papaya has already started yielding fruit, earning him another Rs.850. He has planted yam along the fence and has also supplied planting materials to ten other farmers in the watershed. He received training on how to make vermicompost and vermiwash and has adopted this technology in his farm.

Tunu's land is now being used optimally and he is earning around Rs.20,000 per year. With the profit from the two seasons he purchased 5 goats. Their number has risen to 14. Tunu is now sending 3 of his children to school and his older son to the nearest college. He has decided not to migrate again and to continue working on his farm. He feels that his life has been miraculously transformed. His farm has become a demonstration point, not only for farmers in the area, but also for many national and international visitors.



## Climate Change: Threats and Opportunities

Climate change is increasingly important as a policy issue for both the international community and for India. It is likely to impact on rural India in two ways:

- Changes in temperature, rainfall regime, more variable weather and increased frequency and severity of natural disasters will affect the livelihood strategies of rural people;
- The market for carbon offsets may create new opportunities for resource flows to poor rural communities.

Climate change poses a new challenge to rural livelihoods in India. Programmes need to identify the increased risks resulting from climate change and assess their significance for design and implementation.

Our rural livelihoods programmes emphasise sustainable management of natural resources and diversification of livelihood opportunities and are operating in areas where seasonal and inter-annual variability are key determinants of production and income. The rural livelihoods approach promoted by DFID is consistent with adapting to climate change. We plan to examine the extent to which our existing programmes address adaptation and to assess if any measures need to be added or strengthened in response to mounting evidence of the magnitude of climate change impacts.

International recognition of climate change as a global problem has resulted in the creation of a market for carbon offsets, through which carbon credits can be created, either by avoided emissions of greenhouse gases (GHGs) or by sequestering carbon in vegetation or soils. To date almost all of the benefits of the carbon market have been captured by medium and large scale industry and very few have flowed to the poor. However as custodians of natural resources that can be used to either reduce or increase carbon dioxide emissions, the rural poor could potentially earn significant revenue from the sale of carbon credits provided the current barriers to the carbon market can be addressed.

Such barriers include a currently limited methodological framework for appraising projects on avoided deforestation, compensated conservation or land use change and the high transaction costs

associated with large numbers of small projects. The voluntary carbon market offers a partial solution to these constraints but this is less well developed and usually commands a lower carbon price than the formal Clean Development Mechanism approved under the Kyoto Protocol.

MPRLP has recently initiated a scoping study of how carbon markets can be used to support rural livelihoods in Madhya Pradesh, and DFID is also supporting training in the preparation of carbon offset projects in both Madhya Pradesh and Orissa. We are also designing a Climate Change Innovation Programme with the Ministry of Environment and Forests that will focus on helping the poor adapt to climate change and benefit from any opportunities offered by the carbon market. We are hopeful that a post-Kyoto agreement on climate change will deepen and widen the continuation the carbon market, unlocking new opportunities for the rural poor to participate.



Adapting to climate change by conserving water



Can poor people gain carbon credits by planting trees?

### Community Based Drought Response Programme in Orissa (CBDRP):

Experience over the past two decades suggests that vulnerability to extreme weather events has increased markedly. Reflecting in part the pattern of development itself, loss of life, displacement, and damage and destruction of natural, social and physical capital have all increased, and the losses are relatively greater for the poor.

The purpose of the programme was to create and strengthen community institutions in building community level emergency coping mechanism. A number of 'drought proofing' measures were undertaken, including restoration of common property resources.

Specific features include:

- Participatory drought impact assessments.
- Selection of Food for work (FFW) projects and identification of FFW beneficiaries.
- Formulation of vulnerability mitigation programme with the community.
- Drought mitigation plan for each village based on participatory micro-level planning.

**Subsequent evaluation demonstrated that this combination of measures was significant in building the resilience of communities to withstand the harmful impacts of drought.**



Training helps the rural youth get jobs in the IT sector



Telephones open up access to new markets



New machines lead to improved livelihoods



Traditional skills need new markets

## Further Challenges and Opportunities

India's rapid economic growth and development cannot continue to miss out the rural poor. The challenge is to make this growth more inclusive, and, given the growing pressure on natural resources and the mounting threat posed by climate change, to make it more sustainable. New technologies, including those associated with **information and communications** can help to drive this change and to accelerate the transition out of poverty in rural areas. The **private sector** is now the major driver of growth in the Indian economy and could potentially play an increasingly important role in opportunities for the rural poor to become key players in India's economic growth. While some work has been initiated on information technology and on engaging the private sector in promoting new technologies and linking the poor to markets, we see both of these issues playing an increasingly important role in rural livelihoods approaches in the future.

## A Bright Future in Koraput?

### Solar Lighting System by Tribal Women under OTELP in Tinginaput village, Koraput district

The National Institute of Rural Development, Hyderabad, has established a Women Barefoot Solar Engineers Association (WBSEA) to introduce solar powered lighting to remote villages. The WBSEA is imparting training for four months to illiterate women from different villages on how to fabricate, wire, set up and maintain the solar energy system. The uniqueness of this initiative is that even the totally illiterate women are trained not only to produce and set up the solar energy systems but also to operate them in the rural areas. The process has been well adopted by many illiterate women from different villages of Andhra Pradesh, where solar lighting has been provided to the entire village with smooth operation and maintenance by the community members.

Most of the villages in the programme areas of OTELP lack the minimum infrastructure facilities and villagers were receptive to introducing solar lighting through women's groups. This would create jobs for the women and help to empower communities.

An exposure visit to Paderu was organised for some of the villagers of Tinginaput. Thereafter on a pilot basis, four tribal women from the village were sent to the National Institute for Rural Development (NIRD) for five and half months to undergo training on fabricating, wiring and setting up solar energy systems. The training was practical rather than theoretical and was conducted by the tribal women of Paderu village, who have formed a WBSEA. The four tribal women of Tinginaput village successfully completed the training and came back fully confident that they could establish the solar lighting system in the village.

A series of discussions was then held in the village to apprise all the villagers how to implement and maintain the solar lighting system. A Solar Energy Committee was formed by the villagers and a savings bank account opened in the name of the Committee. Each villager contributes Rs.50 per month to this account as rent for the electricity supply system. In addition, each household is paying Rs.700 in instalments, which will be kept in the account as a fixed capital for investment to purchase batteries at the end of 4 to 5 years of operation.

The villagers have constructed an additional room in the village school building to serve as an Electricity Supply Workshop to be run by the Energy Committee. This will provide a constant supply of electricity to the school so that the villagers can use it for evening classes or community meetings. A TV can be run in the workshop.

Thus, with the wholehearted participation of the villagers the trained women of Tinginaput successfully established the solar lighting system in the village. The system comprises:

- 18W Home lighting in every household with an additional facility for radio.
- SPV lantern.
- One street lighting system for the village.

### Immediate impact observed

- The children are able to study in the evenings.
- Women are able to work and cook in well-lit homes.
- Village women have the option of making brooms in the evening, generating further income.
- The village is safer from snakes.
- Village meetings can be more easily held in the evenings.
- Drinking water can be drawn from the tubewell at night.
- Women save time, as they need to purchase kerosene less frequently.
- The danger of fire from kerosene lamps is removed.
- The trained women are now able to earn by making and selling solar powered lights.









